# weekly economic review

November 8, 2013

## Economic Growth

*Alberta leads country in economic growth*

The Alberta economy expanded by 3.8%, leading all provinces in real GDP growth in 2012 for the second straight year. Alberta's GDP growth came in exactly in line with the Budget 2012 forecast prepared by Alberta Treasury Board and Finance. Household consumption and business capital formation contributed the most to the province's growth (see chart). Alberta had the strongest increase in employee compensation (+9.2%) and household spending (+4.3%) among the provinces.

## Labour Market

*Job growth takes a breather*

Alberta's labour market took a bit of a breather in October, adding a modest 700 jobs. This is a marked slowdown from the feverish average pace of more than 11,000 jobs per month over the previous six months. However, Alberta continued to lead the country in year-over-year job growth at 3.5%. The unemployment rate ticked up 0.1 over September to 4.4%, as 3,500 more people looked for work. Gains in the construction industry ( 11,900) offset a decline in Professional, Scientific and Technical jobs (-8,500). All the new jobs came from part-time positions, as full-time jobs fell 21,300. Nationally, job growth remained weak, with only 13,200 jobs added.

## Housing Starts

*Alberta new home construction surges*

Alberta housing starts jumped to 37,200 (seasonally adjusted at annual rate) in October. The increase was broad-based between Calgary and Edmonton, and single-unit versus multi-unit starts. Housing starts have been impressive so far in 2013, averaging 35,400 (+7.3%).

Canadian housing starts were 198,300, 4.9% lower than the same month last year.

## Building Permits

*Value of building permits vault higher*

In September, Alberta saw the value of building permits rise 5.2% over August and jump 21.6% over the same time last year. Residential permits had the largest year-over-year gain (+33.1%) primarily due to gains in apartment permits. Among Alberta's major regions, Calgary noted a sharp 52.1% increase in permits over September 2012, while Edmonton's growth came in at 27.1%. Both increases were driven primarily by the residential sector.

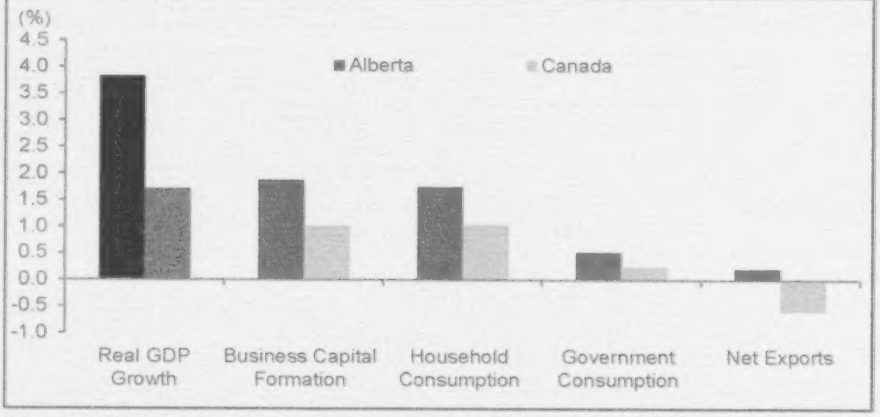
## US Economy

*GDP and employment exceed expectations*

US real GDP growth accelerated in the third quarter to 2.8% (annualized), ahead of market expectations and driven by stronger construction spending and investment in inventories by businesses.

The US economy added 204,000 jobs in October, beating market expectations of 120,000. October's job gain was the third consecutive month of healthy job gains and the third highest monthly gain this year. However, the household survey's unemployment rate ticked up from 7.2% to 7.3%, in part due to furloughed federal employees during the government shutdown.

**Contributions to Real GDP Growth in 2012**




**Source**: Statistic Canada; Note: not all contributors appear in the graph

| Closing Price | Oct. 31, 2013 | Nov. 7, 2013 | 2013-14 Fiscal YTD |
|---|---|---|---|
| Canadian Dollar (US¢/$CAN) | 95.89 | 95.77 | 96.89 |
| WTI Oil ($US/bbl) | 96.38 | 94.20 | 99.89 |
| NYMEX Natural Gas($US/MMBtu) | 3.58 | 3.52 | 3.76 |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## Alberta Economic Indicators

| Population | 2011 | 2012 | 2013YTD | May | June | July | Aug | Sept | Oct |
|---|---|---|---|---|---|---|---|---|---|
| Population (000's) | 3,790 | 3,889 | 4,025 | .. | .. | 4,025 | .. | .. | .. |
| y/y % change | 1.5 | 2.6 | 3.5 | .. | .. | 3.5 | .. | .. | .. |
| Net Interprovincial Migration[1] | 8,443 | 27,652 | 52,677 | .. | .. | 13,791 | .. | .. | .. |
| Net International Migration[1] | 19,411 | 40,842 | 52,551 | .. | .. | 20,487 | .. | .. | .. |
| Net Non-permanent Residents[1] | 7,251 | 10,085 | 19,560 | .. | .. | 10,472 | .. | .. | .. |
| **Labour Market** | | | | | | | | | |
| **NEW:** Employment (000's), SA | 2,094 | 2,150 | 2,199 | 2,203 | 2,201 | 2,217 | 2,232 | 2,236 | 2,237 |
| y/y % change | 3.8 | 2.7 | 2.7 | 2.3 | 2.6 | 3.0 | 3.6 | 3.7 | 3.5 |
| **NEW:** Unemployment Rate (%), SA | 5.5 | 4.6 | 4.6 | 4.8 | 5.0 | 4.5 | 4.8 | 4.3 | 4.4 |
| **NEW:** Participation Rate (%), SA | 73.7 | 73.4 | 73.0 | 73.3 | 73.1 | 73.0 | 73.6 | 73.1 | 73.0 |
| Average Weekly Earnings ($), SA | 1,035.75 | 1,072.98 | 1,103.21 | 1,119.34 | 1,104.47 | 1,103.08 | 1,117.58 | .. | .. |
| y/y % change | 4.4 | 3.6 | 3.3 | 5.4 | 3.4 | 2.1 | 1.4 | .. | .. |
| **Price Indices** | | | | | | | | | |
| Consumer Price Index (y/y % change) | 2.4 | 1.1 | 1.4 | 2.3 | 2.3 | 2.2 | 1.4 | 1.3 | .. |
| Excluding food and energy | 0.8 | 1.4 | 1.3 | 1.1 | 1.6 | 1.9 | 1.6 | 1.5 | .. |
| Non-Res. Building Const. Price Index[2] (y/y % change) | 3.4 | 3.8 | 1.1 | .. | 0.9 | .. | .. | .. | .. |
| Farm Product Price Index (y/y % change) | 18.1 | 6.3 | 4.9 | 5.9 | 5.3 | .. | .. | .. | .. |
| Crops | 19.0 | 6.7 | 8.0 | 7.2 | 5.9 | .. | .. | .. | .. |
| Livestock | 17.2 | 5.9 | 2.2 | 4.8 | 4.7 | .. | .. | .. | .. |
| **Household Sector** | | | | | | | | | |
| **NEW:** Housing Starts (SAAR, 000's) | 25.5 | 33.3 | 35.4 | 42.5 | 38.1 | 35.6 | 28.8 | 30.8 | 37.2 |
| y/y % change | 5.6 | 30.7 | 7.3 | 26.7 | 12.8 | 7.2 | -1.7 | -7.7 | 10.3 |
| New Housing Price Index[3] (y/y % change) | 0.4 | 1.3 | 2.7 | 2.7 | 2.9 | 3 | 3.3 | .. | .. |
| Edmonton | 0.9 | 0.9 | 0.6 | 0.2 | 0.6 | 0.6 | 0.8 | .. | .. |
| Calgary | 0.1 | 1.7 | 4.9 | 5.3 | 5.3 | 5.8 | 6.1 | .. | .. |
| MLS Average Resale Prices ($ 000's) | 352.7 | 362.9 | 378.4 | 375.6 | 376.5 | 378.7 | 387.2 | 384.3 | .. |
| y/y % change | 0.5 | 2.6 | 5.2 | 2.9 | 4.4 | 4.9 | 6.6 | 7.8 | .. |
| Edmonton ($ 000's) | 324.2 | 332.7 | 342.4 | 339.6 | 344.7 | 340.4 | 347.5 | 348.1 | .. |
| y/y % change | -0.7 | 2.6 | 3.4 | 1.1 | 3.7 | 2.9 | 4.2 | 8.1 | .. |
| Calgary ($ 000's) | 401.9 | 410.8 | 433.6 | 424.8 | 431 | 438.7 | 440.8 | 436.8 | .. |
| y/y % change | 1.1 | 2.2 | 6.6 | 2.6 | 5.3 | 6.8 | 7.8 | 8.7 | .. |
| Retail Sales, SA (y/y % change) | 6.8 | 6.9 | 6.4 | 7.3 | 7.8 | 6.2 | 5.5 | .. | .. |
| New Motor Vehicle Sales (y/y % change) | -9.6 | 10.5 | 6.7 | 7.0 | 3.4 | 6.5 | .. | .. | .. |
| Consumer Bankruptcies | 7,029 | 5,759 | 3,324 | 434 | 375 | 385 | 379 | .. | .. |
| y/y % change | -13.8 | -18.1 | -18.6 | -15.7 | -22.5 | -21.3 | -16.5 | .. | .. |
| **Business Sector** | | | | | | | | | |
| Rigs Drilling | 286 | 250 | 233 | 88 | 115 | 187 | 239 | 251 | 239 |
| y/y % change | 30.4 | 12.6 | -5.0 | 0.3 | -17.3 | -5.7 | 7.0 | 9.6 | 1.2 |
| Goods Exports, customs based (y/y % change) | 18.4 | 1.8 | -5.6 | 13.3 | 0.2 | 12.9 | 11.9 | .. | .. |
| Energy | 19.2 | 2.1 | 7.2 | 14.7 | 1.3 | 16.1 | 18.6 | .. | .. |
| Farm, Fishing and Intermediate Food | 27.2 | 20.8 | -1.3 | 7.1 | -16.0 | 5.7 | -20.7 | .. | .. |
| Farm Cash Receipts (quarterly, y/y % change) | 16.7 | 14.1 | 9.3 | .. | .. | .. | .. | .. | .. |
| Manufacturing Shipments, SA (y/y % change) | 17.3 | 3.4 | -0.7 | 1.3 | 4.6 | 3.9 | 8.0 | .. | .. |
| Wholesale Trade, SA (y/y % change) | 14.7 | 10.9 | 2.2 | 0.3 | 1.7 | 2.3 | 1.6 | .. | .. |
| **NEW:** Building Permits, SA (y/y % change) | 11.8 | 14.8 | 20.0 | 1.2 | 21.6 | 50.4 | 1.1 | 21.6 | .. |
| Residential | 5.2 | 18.2 | 15.7 | 12.3 | 16.6 | 29.1 | -5.9 | 33.1 | .. |
| Non-residential | 20.9 | 10.7 | 25.9 | 12.0 | 28.5 | 79.7 | 12.3 | 3.5 | .. |
| Business Bankruptcies | 264 | 230 | 87 | 11 | 9 | 9 | 7 | .. | .. |
| y/y % change | -30.2 | -12.9 | -45.6 | 60.7 | 59.09 | -43.8 | -30.0 | .. | .. |

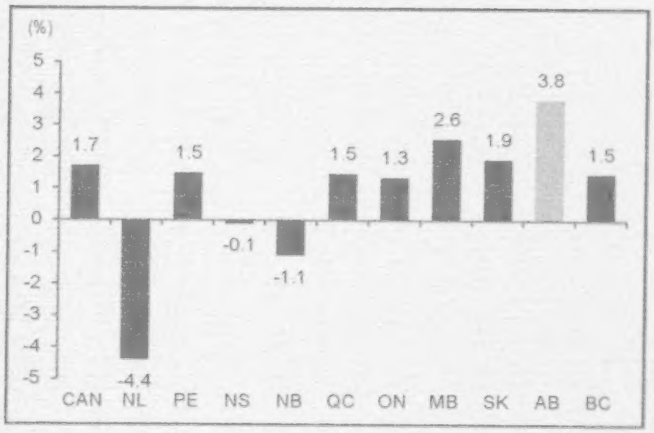
1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted, "SAAR" denotes seasonally adjusted at annual rate

**Sources:** All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the superintendent of Bankruptcy Canada)

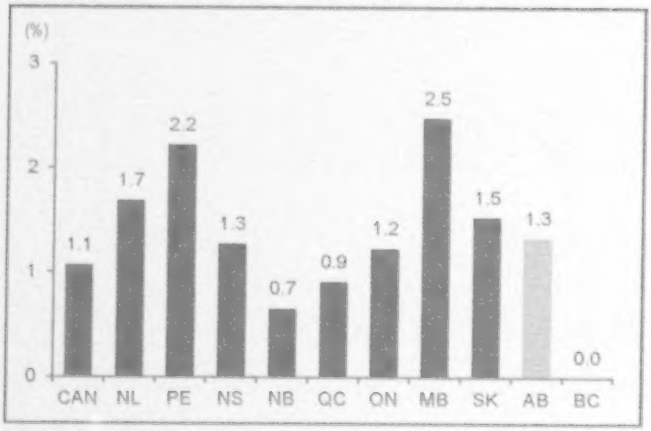
**All historical data are subject to revision.**

## Economic Indicators by Province

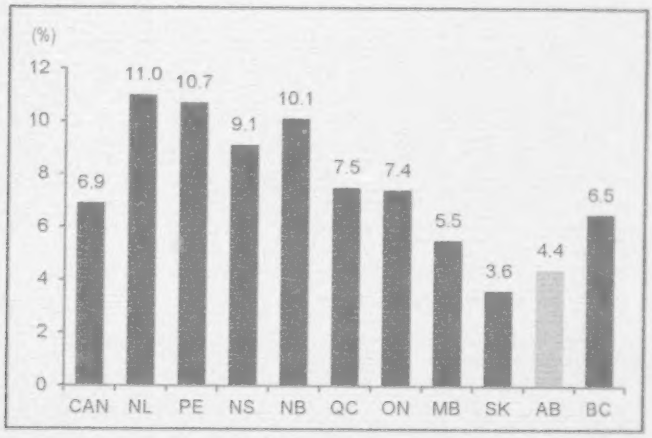
### Real GDP at Market Prices
(2012, year-over-year growth)



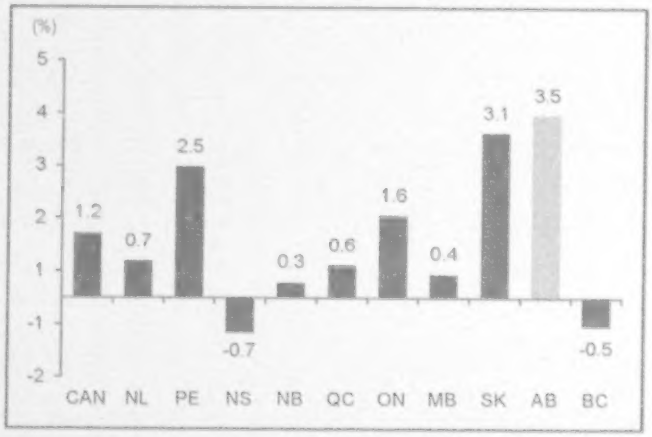

### CPI Inflation
(September 2013, year-over-year growth)



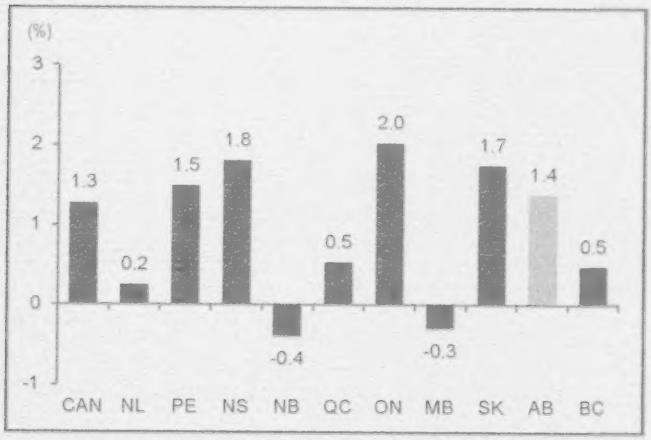

### Unemployment Rate
(October 2013)




### Employment
(October 2013, year-over-year growth)




### Average Weekly Earnings
(August 2013, year-over-year growth)




### Housing Starts
(October 2013, SAAR, year-over-year growth)